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The Capabilities Approach and Worker Well-being

Abstract

Recently, scholars have attempted to apply the capabilities approach, as advanced by Amartya Sen, to the realm of labour. They argue that it provides philosophical justification for a ‘development’ approach to labour regulation, supports the design of policies which promote workers’ well-being and validates the institution of worker participation mechanisms. For labour proponents, this is an exciting prospect. This article argues that despite its promise for expanding workers’ capabilities, certain ambiguities potentially impede the approach’s utility in developing countries. We suggest ways it can be refined and developed to better serve the interests of labour in these contexts, notably by promoting collective and not merely individual capabilities.

Introduction

This article assesses the utility of the capabilities approach in promoting worker well-being, suggesting the kinds of capabilities workers would potentially value (Part 1). It considers the kinds of policies which would expand these capabilities (Part 2). The main body of the article (Part 3) identifies ambiguities in the approach and explores how these impede the enhancement of worker well-being. It offers ways in which these ambiguities may be resolved in favour of workers. Finally, the themes of the article are drawn together (Part 4).

Part 1: The Capabilities Approach

The capabilities approach, in its present form, was pioneered by the economist and philosopher Amartya Sen and is concerned with the promotion of human development, agency and freedom. It offers a philosophical alternative to utilitarianism and resource-based theories which underpin how ‘development’ is understood (Alkire, 2002; Robeyns, 2005; Alkire, 2008; Fukuda-Parr & Kumar, 2009). Sen writes that development “consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency” (Sen, 1999, p.xii). In evaluating development, it focuses on the substantive freedoms, or capabilities, of individuals to choose a life they value (Sen,

1999, p74), not on the amounts of resources they possess, or how satisfied they feel (Sen, 1999, p30).

Utilitarianism is criticised on the basis that reliance on mental states as a measure of development does not accurately portray people's actual needs. Indeed, people can become so used to their poverty, material deprivation or social injustice that they may claim to be entirely satisfied, via what Sen calls 'adaptive preferences'.¹ People tend to come to terms with their life circumstances and stop desiring what they can never expect to achieve. Evaluations about well-being based on mental states are therefore insufficient without considering whether these mental states also correspond with their objective circumstances.

Alternative models which focus on equal distribution of goods, such as Rawls' Theory of Justice, are rejected since they neglect the fact that different people differ in their capacity to convert resources into activities they value (Sen, 1989, p48). Some people — for example, the disabled, the elderly and children — require more resources to have the same capabilities as fully-abled individuals. They may, under Rawls' theory, receive the same amount of resources as everyone in society, but their ability to convert what they have into the things they value is different. For this reason, resources cannot be all we concern ourselves with. In evaluating quality of life, one should also ask how well people are able to function with the resources they have at their disposal. Consequently, social and economic inequalities which stand in the way of people and their opportunity to function, must be taken into account.

The core concepts of 'functionings', 'capability' and 'agency' are used in the capabilities approach to determine people's well-being. Functionings are the various outcomes an individual may achieve (being healthy, having

¹ Sen asserts "...the most blatant forms of inequalities and exploitations survive in the world through making allies out of the deprived and the exploited...As people learn to adjust to the existing horrors by the sheer necessity of uneventful survival, the horrors look less terrible in the metric of utilities" (Sen, 1985, pp21-22).

shelter, having a good job, participating in social activities, travelling, voting in an election), while capabilities refer to real (as opposed to formal) freedoms and opportunities to achieve these outcomes (the opportunity to be healthy, the opportunity to travel, the freedom to participate in society) (Sen, 1999: pp75, 87). The distinction is between achievements, on the one hand, and freedoms or valuable options from which one can choose, on the other (Robeyns, 2005, p95). Agency is a person's ability to pursue and realise the goals which he values or has reason to value. Sen argues that in development activities, "the people have to be seen...as being actively involved – given the opportunity – in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs" (Sen, 1999, p53). An agent, in Sen's terms, is a subject and actor in his own life, rather than an object of actions made for him.

Importantly, the ultimate measure of development is not what functionings a person has achieved, but his real freedom, or capability to function: An individual not eating food because he is fasting and another because he cannot find anything to eat may both may be hungry and lack the functioning of being well-nourished. But in the former, the individual has chosen to fast. He has the capability of achieving the state of being hunger-free but chooses not to. In assessing development, Sen is concerned not with what people have or are (functionings), but rather with what they can have or be (capabilities).

Finally, the extent to which individuals can generate capabilities from resources is influenced by various factors – personal, social and environmental (Robeyns, 2005, p99). Personal conversion factors include mental and physical conditions, literacy and gender. Social conversion factors are factors from the society in which one lives, such as social norms, religion, public policies, societal hierarchies and power relations related to class, gender, race, or caste.

Environmental conversion factors include climate, pollution, proneness to earthquakes, the stability of buildings and roads, and the provision of transport and communication. These influence the types and degrees of

capabilities a person can generate from resources. The approach asserts that knowing what resources a person has at his disposal is not enough to know which functionings he can achieve; we also need to know about the person and the circumstances in which he is living.

Part 2: Expanding Workers' Capabilities

Given its emphasis on expanding people's freedoms, capabilities and opportunities to live a life of their own choosing, the capabilities approach offers a promising basis upon which worker well-being can be enhanced. The approach warrants policies which enable workers to be active agents who can pursue and realise their goals. It would advance strategies which make it possible for them to bring about social and political transformations to shape their own destiny. This is an exciting prospect for labour advocates, who have long spoken out against the negative impact on workers of capitalist economic systems and their most negative consequences (unemployment, job insecurity, precarious work, exploitation, downward pressure on wages, weakening of legal protection, decreasing living standards). Work is today a key site of capability deprivation and conversely, of capability enhancement. The capabilities approach would ask how workers' freedom to achieve well-being can be increased, which transcends simply asking how resources may be distributed or how happy or content workers feel.

In the first instance, we need to determine what capabilities workers might value. Unfortunately, Sen refrained from outlining a universally applicable, prescriptive list of functionings and capabilities, on the basis that such judgements are necessarily contingent and relative (Sen, 1993: p47, 2005). Philosophers may provide ideas about which capabilities are central. But the legitimate source of decisions about the kinds of life people value and have reason to value, and the types of capabilities which are essential to achieve this life, must be the people themselves. Sen does specify a small number of objectively valuable capabilities such as being able to live long, escape avoidable morbidity, be well nourished, read, write and

communicate, take part in literary and scientific pursuits and so forth (Sen, 1984, p497). Beyond this, specification of what other capabilities ought to be is left to public reasoning and democratic consensus. Sen is a great proponent of democracy as a means to development (Sen, 1999b, Sen & Dreze, 2002). Unsurprisingly, he advocates a ‘social choice’ exercise as a mechanism for determining what capabilities society should promote. In the event of disagreement or conflict about what capabilities should be chosen, again, it is the people directly involved who must decide, not local elites or cultural experts (Sen, 1999, pp9, 31, 32, 78; 2004, pp. 77, 81).²

Despite criticisms that Sen has failed to complete his framework with a list of capabilities,³ the approach’s underspecified nature actually increases its utility. Choices about capability (depending on what functionings are chosen) can be determined in different contexts by different individuals and groups according to their respective values and priorities (Sen, 1993, p32). The inherent ‘incompleteness’ of the approach increases its potential applicability. The capabilities which workers might want to promote are potentially wide-ranging: they depend upon factors such as age, gender and geography. Although Sen does not discuss in detail how labour or labour rights fit within his theory,⁴ it may be argued that certain capabilities exist

² Other scholars have attempted to generate a list of human capabilities, in order to complete the capabilities approach. See in particular Nussbaum, M. (2000), *Women and Human Development*, (Cambridge University Press: Cambridge), Alkire, S. (2002) *Valuing Freedoms: Sen’s Capability Approach and Poverty Reduction*, (Oxford: Oxford University Press), Chapter 4; Clark, D. (2003), “Concepts and Perceptions of Human Well Being: Some Evidence from South Africa” *Oxford Development Studies*, 31, 2, 173 – 196; Robeyns, I. (2003) “Sen’s Capability Approach and Gender Inequality: Selecting Relevant Capabilities” *Feminist Economics*, 9 (2-3), 61 – 92

³ Nussbaum is critical of the indeterminacy of Sen’s version of the capabilities approach and argues that “Sen needs to be more radical ...by introducing an objective normative account of human functionings and by describing a procedure of objective evaluation by which functionings can be assessed for their contribution to the good human life” (Nussbaum, 1988, p176).

⁴ The primary treatment of labour appears in his book *Development as Freedom* (1999) where he discusses the capability or freedom to engage in work free from coercion and the instances in which this freedom might be

which all workers would value. Certainly, few would reject the capability to work in a healthy and safe environment, to earn just remuneration, have free choice of employment, enjoy equal pay for equal work, enjoy freedoms to join unions and engage in collective bargaining, be free from compulsory labour and protection from unjust dismissal. Many treaties and conventions on the rights of labour already incorporate these capabilities, not least those created under the auspices of the International Labour Organisation.⁵

Some scholars have extrapolated a list of potential capabilities which workers would value from a larger list of central human capabilities proposed by Martha Nussbaum (2000). Nussbaum argues for a list of capabilities which includes ‘life’, ‘bodily health’, ‘bodily integrity’, ‘play’, ‘control over one’s environment’, and ‘affiliation’. She calls for a minimum threshold that each individual should enjoy (p74). Drawing on her list, Kolben (2010) describes how they might inspire labour regulation. For example, workplace health and safety and work hours would be essential elements of the ability to lead a life of normal length (‘life’). The freedom to enjoy good health would depend on the extent to which work-related diseases, occupational injuries and workplace fatalities are minimised (‘bodily health’). The capability to enjoy ‘bodily integrity’ would require that workers are protected against sexual assault and violence. The ‘affiliation’ capability would require a right to freedom of association, enabling them to forge solidarity with other workers to achieve dignity at work. Being able to ‘play’ would require leisure time, and maximum-hour protections would enhance this capability. Finally, being able to exert ‘control over one’s environment’ would require mechanisms to facilitate worker participation in decision-making.

lost (pp. 112 – 116). Beyond this, he has focused little on other labour-related capabilities, a fact which has been lamented by labour scholars (Kolben, 2010, p365).

⁵ See for example, Freedom of Association and Protection of the Right to Organise Convention 1948 (No. 87), Right to Organise and Collective Bargaining Convention 1949 (No. 98), Forced Labour Convention 1930 (No. 29), Abolition of Forced Labour Convention 1957 (No. 105), Equal Remuneration Convention 1951 (No. 100) and Discrimination (Employment and Occupation) Convention 1958 (No. 111).

Whatever capabilities workers wish to promote, the next step is to install policies to enhance them. Again, Sen leaves this task to consensus arrived at through public reasoning. It is possible to postulate, however, that if workers want to work in a safe environment, then policies would ensure adequate maintenance of machinery, proper safety inspection systems and access to a legal system which recognises and guarantees protection. If workers want the right to form unions, then policies prescribing how workers can do this, and measures promoting awareness of the right to do so and laws which protect workers from retaliation by employers would need enactment. If workers are to enjoy freedom from discrimination, steps to secure the expansion of this capability might take the form of anti-discrimination laws and dispute resolution procedures allowing workers to challenge actions they consider discriminatory. Finally, if workers are to be able to participate in workplace decision-making processes, policies would allow co-governance rights and encourage various forms of worker management structures. In all these examples, the effectiveness of policies would depend on their impact on workers' capabilities. In many cases, the implementation of policies would require financial input (setting up new organisations to monitor discriminatory practices, instituting dispute resolution bodies, encouraging worker participation in public deliberation). However, reforming political practices and institutions, and challenging social norms which currently hinder the expansion of worker capabilities would also be vital to the process.⁶

Many scholars in industrialised countries have examined workplace and national labour policies through the lens of the capabilities approach, urging

⁶ See Routh, S. (2012), "Developing Human Capabilities through Law: Is Indian Law Failing?" *Asian Journal of Law and Economics*, 3, 1, who argues that judicial interpretation of labour laws in India has failed to promote *capability*. They currently indicate that judges believe economic development, of itself, is sufficient to promote human development. Labour laws are thus interpreted narrowly, in ways which do not enable capability promotion amongst workers. The author contends that the judiciary needs to focus on providing social and institutional conditions for the promotion of capabilities rather than eroding such conditions in the name of economic development.

strategies which promote specific labour-related capabilities: voice, freedom of choice and worker empowerment. Some argue that activation policies should go beyond simply encouraging employability or promoting rapid re-integration into the labour market, to enable workers to lead the life and perform the jobs they value. Policies which grant workers sufficient resources, improve their likelihood of finding a valuable job and make available ‘choice’ in the labour market are important (Bonvin & Orton, 2009, Bonvin, 2008, Bonvin & Moachon, 2008, Bonvin & Favarque, 2005). The approach has also been used to evaluate how far work-based policies promote deliberative procedures between management and labour to advance ‘capability for voice’ (Koukiadaki, 2010). It has been used as a means of balancing employment policies with individual aspirations for freedom (Zimmermann, 2006, 2008). It has also been employed to assess institutional, organisational and individual influences on workplace capability development (Bryson & O’Neil, 2009), to justify worker appropriation of the surplus values they generate in firms either through voice mechanisms or through co-operatives (McIntyre, 2011). More widely, it has been deployed to promote the idea of social rights as the foundation of active participation by individuals in the labour market (Deakin, 2009). Finally, at international level it has been used to champion a new European social and economic model which equips all individuals with freedoms to achieve the life that they value and the work they want (Salais, 2012).

Part 3: Limitations of the Capabilities Approach

Promising as the approach is as a basis upon which to expand workers’ capabilities, it also contains limitations, restricting its utility to achieve change. Three are discussed below: (1) the idealistic nature of Sen’s ‘social choice exercise’, (2) an under-estimation of the importance of ‘social structures of living together’ in advancing individual freedom and (3) an under-emphasis on the important role collectives play in expanding individual capabilities. The observations made in this article are particularly relevant in the developing countries context, and we therefore concentrate

on the link between these limitations and the vulnerabilities of workers in these countries, although the arguments may have wider applicability.

1. Sen's 'Social Choice' Exercise

Failure to promote workers' capabilities is likely to be manifested in widening social inequalities, worsening labour standards and diminishing legal protection. These conditions are widespread in many developing countries today (Fields, 2011, 2012). As we noted earlier, the capabilities approach looks to a 'social choice' exercise to bring about the required change.

Several difficulties start to reveal themselves. Sen's 'social choice' exercise, which calls for public reasoning and democratic consensus, glosses over a multitude of problems. For example, many developing countries profess to be democracies, yet lack the basic features of a democratic society (full and free political participation, public awareness of political processes, respect for the rule of law, organised opposition parties, plural civil society, recognition of civil liberties). Political equality in such societies is also undermined by wide social and economic inequality in terms of wealth, education and power, where economic and political élites 'capture' or subvert the existing system for their own purposes. The result is political decisions favouring those already enjoying a privileged position. The ability to exercise agency through democratic processes is effectively denied to the less privileged, limiting their opportunities to participate in public deliberation to advance the capabilities they value (Deneulin, 2008). Sen pays little attention to the political context which gives concepts such as 'freedom' or 'equality' meaning. He does not focus on how sources of power, and the way this power is reproduced through political institutions, affect human development. In many developing democracies, unequal power relations constitute a major handicap to this development (Navarro, 2000).

Another issue is that of conflict (Corbridge, 2002; Deneulin & McGregor, 2010). Disagreements and conflict invariably arise among different groups

in society when negotiating the kinds of capabilities which should be promoted, and indeed, in the relative weights to be assigned to each of them. This conflict may at times be irreconcilable. Sen does not tell us how differences are to be resolved, beyond simply insisting that people can, through deliberation and discussion, arrive at solutions about what capabilities society wants to enhance, and how (Sen, 2009, p.xviii).⁷ Yet interpretations of the concepts of ‘freedom’ or ‘well-being’ and the meaning one group attaches to them often differ fundamentally from those of others, preventing them from ever reaching a solution. In reality, those who ‘win’, do so at the expense of others’ well-being (Deneulin & McGregor, 2010). To what extent are such (legitimate) differences capable of being resolved without devaluing the views and beliefs of each other (Arrow, 1951, 1963)?

The negotiation and promotion of workers’ valued capabilities is fraught with difficulty. Governments in many developing countries undermine workers’ rights for many reasons. The potential to exploit low wages is one reason why developing countries are a target for multinational corporations’ investment. Governments wishing to attract foreign capital are reluctant to change this by creating space for workers to participate in public deliberations to advance their interests. Moreover, conditions imposed by international financial institutions on developing countries in return for financial assistance often revolve around liberalising their labour market. Compliance with these conditions has led to many labour rights being compromised or removed and is directly responsible for the demise of permanent employment, higher incidences of low wages and decrease in workers’ living standards. Finally, many governments in developing countries enjoy the benefits of cultivating close relationships with capital. So entangled is power and money that those resisting change and the

⁷ Sen is also remarkably optimistic that the intersections of the rankings by different people are ‘typically quite large’ and therefore that they are highly likely to achieve agreements about the evaluation of capabilities and the weight to be attached to them (Sen, 1985, pp.53 – 56). See also his proposals (dominance ranking & intersection approach) which construct an incomplete ranking of capability sets based on points of agreement among different conceptions (Sen, 1985, 1993, 2009).

government bearing the responsibility for improving labour rights are one and the same.

The employment relationship is similarly characterised by an inherent conflict of interests.⁸ Workers' perception of freedom and capabilities, and how they are to be achieved differ fundamentally from those of employers. Employers are concerned with maximising profit and regard labour as a factor of production to be exploited like any other factor. This varies markedly from workers' desire for higher wages, autonomy and decent work conditions. Workers' development (enhancement of their capabilities) has always involved contesting the powers of capital, a fact well illustrated throughout history. Sen's faith in public deliberation and democratic consensus in promoting different capabilities may be unshakable (Sen, 2009, p.xviii). Yet it is naive to ignore the reality of conflict and contestation in securing freedoms and capabilities, more so in countries which lack democratic freedoms (Corbridge, 2002, pp203, 207). We thus need to recognise *conflict* and *contestation*, as well as cooperation.

Thirdly, it has been noted (Dean, 2009) that even outwardly 'consensual' agreements achieved in the process of public deliberation can conceal fundamental conflicts and hidden oppression. These agreements may do nothing more than reflect prevailing hegemonic assumptions. Evans (2002) argues that concentration of economic and political power in the hands of large corporations, the wealthy and the political élite ('empires of Coca Cola and MTV'), mean that they often succeed in shaping democratic 'consensus' and promoting priorities and preferences which reflect their own interests (p58). This is a more subtle but no less dangerous way in which the powerful and privileged can manipulate 'democratic' processes to protect their own interests. Consequently, whatever preferences those with less power might have, are unlikely to be reflected in public deliberations about what capabilities are valuable. Sen proceeds on the basis

⁸ Kochan, T. & Katz, H. (1988) *Collective Bargaining and Industrial Relations: From Theory to Policy and Practice* (2nd ed) (Homewood, IL: Irwin), p6.

that citizens are free and equal and that participation in the public sphere is open upon the same terms to everybody. But a single undifferentiated public does not exist. Dean (2009) refers to Fraser's (1997) argument that societies are composed of many publics, with competing and overlapping interests. In practice, the interests of powerful *élites* are often advanced in the name of defending the common interest, while the interests of subordinate groups are ignored. Systemic inequalities in society effectively compromise and even exclude participation by less powerful groups (p271). The works of the Italian Marxist Gramsci have inspired a body of literature elucidating the challenges faced by subaltern classes in combating not only political and economic control by the dominant class, but crucially, its ability to project its own way of seeing the world so that those who are subordinated by it accept it as 'common sense' and 'natural' (e.g. Hilley, 2001; Ayers, 2008; McNally & Schwarzmantel, 2009; Karriem, 2009; Carroll, 2010; Glassman, 2011). In the labour, Miles & Croucher (2013) recently highlighted the profound difficulties experienced by worker organisations in challenging the hegemony of a pro-capital government in Malaysia. Fundamental differences exist between these organisations, which weaken the strength of counter-hegemonic forces.

In all, Sen marginalises the question of how unequal power relations can taint the 'social choice' exercise, or the reality of conflict and contestation in the negotiation of capabilities or how public values and preferences are often shaped by political and economic *élites*. We need to go further, to also consider how different groups in society can negotiate socially coherent well-being outcomes and strategies, which recognise principles acceptable to all and which do not automatically devalue the values and preferences of others. Certainly, collective action-we expand below- can help the less privileged and less powerful put forward and defend their choice of capabilities. Institutional arrangements to guide deliberation and value reasoning would also be integral in helping groups reach a consensus about what capabilities should be promoted (p514). In the labour context,

they may help governments, workers and employers agree on, and commit to, promoting specified labour-related capabilities.

In this respect, the Better Work Program (*BWP*: a partnership program between the International Labour Organisation and International Finance Corporation to improve compliance with labour standards and promote competitiveness in global supply chains in the apparel and garment industries)⁹ launched in 2007, may offer one possible initial model for the way forward. Currently operational in seven developing countries, *BWP* embodies a commitment by governments, employers and workers to improve working conditions (occupational health and safety, overtime, wages, job security, prevention of abuse and sexual harassment). With the overall goal of promoting worker well-being, *BWP* offers training to support workplace cooperation (thereby enhancing worker voice), provides specifically tailored advice to address the needs of factories and assistance in developing and implementing ‘improvement plans’ to address non-compliance issues. Participating factories agree to be subject to a monitoring regime in which *BWP* auditors inspect their labour standards. Although significant practical challenges remain in ensuring that governments and employers respect their commitments and do not simply limit the program to one benefitting employers, the *BWP* goes some way toward meeting the objectives of the capabilities approach. An arrangement such as the *BWP* commits groups with inherently conflicting interests to promote and expand a set of labour-related capabilities. They have an incentive to do so because all ultimately benefit – workers in terms of expanded capabilities, employers and governments in terms of increased competitiveness and enhanced reputation.

2. ‘Structures of living together’ in advancing Individual Freedom

The capabilities approach is a liberal-individualist concept (Dean, 2009, p267; Stewart, 2005; Robeyns, 2005; Evans, 2002). The emphasis is on the expansion of the *individual’s* capabilities so that he can achieve the

⁹ Information about how the Program works, services provided and countries involved, see the *Better Work* website, at < http://betterwork.org/global/?page_id=300 >

functionings he values. It regards *individual* freedoms and capabilities as the one relevant way to evaluate the quality of life. Societal arrangements, or irreducible social goods, what Deneulin (2008) terms *structures of living together*,¹⁰ important as they are to enhancing individual capabilities,¹¹ are assessed only in relation to their effectiveness in achieving them (they are of instrumental value only).¹²

Yet an essential component of human life is that we live together. We are influenced by the values in our society, its social norms and culture all of which constitute an intrinsic part of our identity (Evans, 2002, pp56, 57). Similarly, our individual agency (a central concept in the capabilities approach) is influenced by, and develops according to, particular ‘structures of living together’: some societies provide conditions more favourable to the development of individual agency than others. So inextricably bound are ‘structures of living together’ to the identity, values and agency of individuals that they should be regarded not as merely instrumental to the achievement of individual capabilities, but as an equally relevant space for the evaluation of the quality of life. Consequently, they should also be influenced by development policies (Stewart & Deneulin, 2002; Deneulin, 2008; Deneulin & McGregor, 2010). In exploring the ‘structures of living together’ in Costa Rica, and demonstrating a link between these (social and power structures of society, egalitarian nature of its productive structure,

¹⁰ Adapting Paul Ricouer’s original definition of the term, Deneulin (2008) defines them as “...structures which belong to a particular historical community, which provide the conditions for individual lives to flourish, and which are irreducible to interpersonal relations yet bound up with these.” (p110). They include the particular society’s social norms, language codes, aesthetic values, cultural practices etc.

¹¹ Sen does not separate the thoughts, choices and actions of individuals from their society, acknowledging that they are social creatures. Individual freedoms are inescapably qualified and constrained by the social, political and economic opportunities which are available to them (Sen, 1999, p.xii). Thus our individual freedoms and opportunities are dependent on the existence of social arrangements, on what institutions exist and how they function (Sen, 1999, p142)

¹² “...societal arrangements...are investigated in terms of their contribution to enhancing and guaranteeing the substantive freedom of individuals” (Sen, 1999, p.xiii).

motivational structures of the political élite) and the quality of life enjoyed by Costa Ricans (high levels of literacy, enjoyment of a long life, provision of widespread social services) Deneulin (2008) argues that ignoring 'structures of living together' in the assessment of development leads to the loss of important information for development (p114). Had the 'structures of living together' in Costa Rica been different, its development trajectory would have taken a less positive path.

Thus, if the capabilities approach is to be a guiding theory for development practice, we should not merely ask how individual capabilities can be enhanced, but also how 'valuable' structures of living together can be enhanced. They have a positive impact on individual well-being, they enable individuals to be actors in their own lives and encourage them to form valuable objectives.

In many developing countries, existing 'structures of living together' severely restrict workers' agency to achieve the goals they value. In some, 'structures of living together' are oppressive, caused by unequal distributions of power in society. They have a negative impact on the lives of workers, exemplified by low levels of interaction between the government and workers, loss of faith in the government and a resigned acceptance that those in authority should not be challenged. Their 'structures of living together' constrain, rather than advance, individual freedom. Worse, 'structures of living together' may altogether fail to promote a respect for autonomy and rights.

Governments in many developing countries currently lack the political will to act as major agents of change and fail to initiate policies to improve worker well-being. In many countries, worker participation in political life is repressed. Relationships in the workplace are characterised by domination and exploitation by groups with power over those who have little. Workers become trapped in a cycle of poverty, unable to improve their lives. Due to their low social standing and lack of political power, they

are excluded from institutional decision making, further entrenching their ‘unfreedom’. Political and economic élites have a vested interest in the status quo. Changes regarded as a threat to their interests are unlikely to be enacted, and thus structures which support their actions and behaviour will tend to be preserved. All these are features of society in which individual workers have little control, but which affect their ability to achieve the capabilities they value.

How then might ‘structures of living together’ be enhanced so that they impact positively on worker well-being? If individual agency is to be central in promoting individual capabilities, how might ‘structures of living together’ build this agency? Policies which encourage democratic development, uphold the rule of law, empower weaker groups to negotiate solutions with more powerful ones and endorse a more equitable distribution of power and resources (Maiese, 2003) would effect valuable change in ‘structures of living together’. Those which promote a plural civil society, encourage participation by labour at the political level and put in place efficient work dispute resolution systems would build individual agency.

3. Role of Collectives in advancing Individual Capabilities

A third limitation the capabilities approach is its under-emphasis of the contribution collectives can make in achieving individual freedom. In practice, my ability to choose the life I have reason to value often depends on the possibility of my acting together with others who have reason to value similar things. Individual capabilities thus depend on collective capabilities (Evans, 2002). Sen himself notes “the advantage of group activities in bringing about substantial social change” (Sen, 1999, p116). Yet the structural individualism of the approach diverts attention from collective political action, giving it only a minor role. Evans (2002) argues that Sen is a “good Manchester liberal” who “focuses on individuals and

their relation to an overall social context, not on collectivities as the necessary link between the two”. Similarly, Zimmermann (2006) has criticised the capabilities approach for being too focused on the individual, with the impact of social structures in the formation of human agency only partially acknowledged.

Groups play a more dominant role in human well-being than appears in the literature analysing capabilities (Stewart, 2005). Groups are a direct source of individual wellbeing, are instrumental to the achievement of individual capabilities and exert a vital influence over their members’ preferences and values to help determine which capabilities they value. As groups with which individuals identify are inextricably associated with the furtherance of their well-being, enhancing the capabilities of individuals would also require us to explore the nature of the groups with which they identify. Stewart asserts the importance of, *inter alia*, supporting groups which encourage valuable capabilities as against those who do not, reducing group inequalities and generating tolerant societies in which groups can co-exist peacefully. Similarly, Ibrahim (2006) and Thapa, Sein & Saebo (2012), through the examples of self-help among the poor and ICT respectively, emphasise the importance of collectives in promoting individuals capabilities as Ibrahim (2006) illustrates in the case of quarry workers in Egypt. Deneulin (2011) argues that decisions which challenge the status quo can only be affected by groups which wield power comparable to that of the interest groups that are being challenged. Any individual wanting to make valuable choices about capabilities, or enhance the conditions which promote valuable capabilities, will be ineffective unless he is supported by collective action.

Worker collectives such as unions play a pivotal role in advancing workers’ capabilities, and consequently, their well-being. They nurture communal values and challenge those which promote values at odds with those of workers. Worker rights are in practice most effectively enforced by unions, through collective representation. Collective action in fact strengthens

individual rights in workplaces (Harcourt, Wood & Harcourt, 2004). Collective voice increases individual worker's prospects of voicing any concerns they may have, and makes them more difficult for employers to disregard and possibly victimise. Unions also enhance efficiency because they replace ineffective individual voice with a stronger, collective voice, leading to an increase in the supply of workplace public goods such as reduced heat and noise, flexible work schedules and prevention of harassment (Kaufman, 2004: p.373, 374). Addison & Belfield (2004) contend that individual rights (e.g. those prescribed by law or stipulated in the employment contract), are most effectively enforced by collective organisation and not through individual legal action. Equity and stability are also enhanced by unionisation which has been shown to reduce gender pay differentials and turnover rates and secure greater tenure. Conversely, lack of voice on the part of workers exacerbates existing problems faced by them and increases the possibility that they are treated in ways perceived by individuals as unfair (Van Buren & Greenwood, 2008). These arguments, largely developed in the context of developed countries, have been shown to apply a fortiori in developing countries where formal employment and secure work is a minority case.¹³ Workplaces which also promote a sense of the collective based on shared values, and which offer a forum for participation and open discussion of work-related issues (*participative collectives*), are best able to promote workers' capabilities (Zimmermann, 2011).¹⁴ If *participative collectives* are regarded as more effective than *representative collectives* (trade unions) in executing capabilities-based

¹³ For recent accounts of successful union mobilisations at enterprise and national level see Hickey R. (2004), "Preserving the Pattern: Membership Mobilization and Union Revitalization at PACE Local 4-227" *Labour Studies Journal* 29, 1, 1-20, Kretsos, L. (2011) "Grassroots unionism in the context of economic crisis in Greece", *Labour History*, 52, 3, 265-286 and Wilson, S. & Spies-Butcher, B. (2011), "When Labour Makes a Difference: Union Mobilization and the 2007 Federal Election in Australia" *British Journal of Industrial Relations*, 49, Supplement 2, 306-331

¹⁴ These *participative collectives* carry out an advisory function only. They can offer suggestions and contribute ideas, but have no power to make decisions. Workers are associated in the production of joint knowledge for the purpose of informing the decision or its implementation, but the proper use of this knowledge is, in the final analysis, left to the employer.

policies at work, then a challenge for trade unions would be to combine their functions with those of *participative collectives* in ways which are not subject to management control (Zimmermann, 2012).

As a framework for expanding worker well-being, the capabilities approach needs to recognise the link between the promotion of individual capabilities to those of collectives. Thus labour advocates should concentrate on the question of how groups can be helped to expand their capabilities, possibly through worker education (Croucher and Cotton, 2011).

Part 4: Conclusion

The article's contribution has been to synthesise and supplement previous critical commentaries on Sen's capabilities approach, demonstrating how it may be adapted to meet the needs of labour in developing country contexts.

The capabilities approach, whilst offering a useful conceptual framework for promoting worker well-being, also suffers from limitations which impede its utility in achieving this goal. Sen's 'social choice' exercise papers over a large number of difficulties. It pays insufficient attention to sources of power in society, how this power is reproduced through political institutions and its impact on the deliberation process. It does not explicitly engage with the reality of conflict and confrontation which impede the negotiation of capabilities by different groups. Hence, we need to go further than simply relying on Sen's 'social choice' exercise in identifying and promoting workers' capabilities. We also need to consider how institutional arrangements to guide deliberation and value reasoning can be put in place.

The capabilities approach defines development narrowly, as simply whether individual capabilities have been expanded. It fails to take into account the fact that individual identity, values and agency are inextricably linked to the

wider society. ‘Structures of living together’ determine the extent to which individuals enjoy freedom and agency. They are an equally relevant measure of development (along with individual capabilities). Consequently, we would need to enhance valuable ‘structures of living together’. These are those which have a positive impact on their quality of life, which encourage them to form valuable goals and enable them to bring about the social and political transformations necessary to achieve these goals.

Finally and crucially, the approach under-emphasises the important role which collectives can play in enhancing individual capabilities. For workers, this is a step backwards. Collectives such as unions play a crucial role in the formation of worker values and preferences, and defend worker rights nationally and globally. The capabilities approach needs to be supplemented by advancing the concept of workers’ collective power.

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